

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 ADP-00 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 INT-08

GSA-02 PA-03 PRS-01 USIA-15 SS-15 NSC-10 STR-08

DODE-00 RSR-01 /199 W

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R 132313Z AUG 73

FM AMCONSUL PERTH

TO SECSTATE WASHDC 0615

INFO AMEMBASSY BRASILIA

AMEMBASSY CANBERRA

AMEMBASSY CARACAS

AMEMBASSY OTTAWA

AMEMBASSY PRETORIA

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: EMIN, ECON

SUBJ: IRON ORE: ALLEGED ATTEMPT BY BRAZIL TO ESTABLISH
WORLD MARKETING ARRANGEMENTS

REF: STATE 139931

1. SUMMARY: WESTERN AUSTRALIAN OFFICIAL CONFIRMED TO US
RECENT "AGREEMENT" WITH BRAZIL TO EXCHANGE IRON ORE
MARKETING AND TECHNICAL INFORMATION. WHILE HE LOW-
KEYED SIGNIFICANCE OF "AGREEMENT" HE MADE IT PLAIN
THAT INCREASED COOPERATION AMONG IRON ORE PRODUCERS IS
JUSTIFIED AND THAT W.A. STATE GOVERNMENT IS TRYING TO
IMPROVE POSITION OF ITS PRODUCERS IN NEGOTIATIONS WITH
JAPANESE BUYERS. END SUMMARY.

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2. WE DISCUSSED ARTICLE JULY 14 ISSUE BUSINESS WEEK

WITH COOPER, UNDERSECRETARY OF WESTERN AUSTRALIA
(WA) STATE GOVERNMENT'S DEPARTMENT OF MINES.
COOPER UNAWARE ANY CARTEL OR UNITED AFRONT ARRANGE-
MENT BETWEEN WA AND BRAZIL. SAID MEETINGS OF WA
MINES MINISTER LAST MARCH WITH BRAZILIAN MINES
MINISTER DIAS LEITE AND LAST JUNE WITH BRAZILIAN
AMBASSADOR TO AUSTRALIA RESULTED IN NO SPECIFIC
PROPOSALS OTHER THAN GENERAL SUGGESTION THAT ROUTINE
MARKETING AND TECHNICAL INFORMATION BE EXCHANGED.
COOPER DOES NOT KNOW WHAT INFORMATION SHOULD BE
INCLUDED IN EXCHANGES, NONE OF WHICH HE BELIEVES
HAS YET TAKEN PLACE. ALSO BELIEVES NO ARRANGEMENT HAS BEEN
MADE FOR FUTURE CONTACTS BETWEEN WA AND BRAZILIAN
GOVERNMENTS OTHER THAN VAGUE INVITATION FOR WA
MINES MINISTER TO VISIT BRAZIL WHICH PROBABLY NOT
POSSIBLE UNTIL AFTER WA STATE ELECTIONS FEBRUARY
1974.

3. COOPER ALSO SAID THAT FOR PAST EIGHT YEARS JAPANESE
BUYERS HAVE BEEN PLAYING OFF WA IRON ORE PRODUCERS
AGAINST EACH OTHER. WE GOVERNMENT URGED PRODUCERS
TO COOPERATE BUT COMPANIES WHILE PAYING LIP SERVICE
TO COOPERATION SHOW NO EAGERNESS TO FORM UNITED FRONT.
COOPER SAID THAT IN MOST RECENT NEGOTIATIONS THERE
WAS SOME COOPERATION BUT HE SUSPECTS ONE WA PRODUCER
BROKE RANKS THUS ALLOWING JAPANESE TO "CHOP OUR
BLOKES OFF AT THE SOCKS".

4. COOPER ADDED THAT WA GOVERNMENT IS IN WEAK POSITION
WHEN IT COMES TO GETTING SOLID MARKETING INFORMATION
FOR NEGOTIATIONS WITH JAPANESE. HOWEVER SITUATION
WILL IMPROVE WITH ARRIVAL IN SAO PAULO OF NEW
AUSTRALIAN CONSUL GENERAL AND TRADE COMMISSIONER,
SCHNEEMAN, WHO WILL HELP WA GOVERNMENT OBTAIN SUCH
INFORMATION FROM BRAZILIANS.

5. COMMENT: RECENT MOVES TO COOPERATE WITH BRAZIL REFLECT
GROWING MATURITY OF WA IRON ORE PRODUCERS AND GOVERN-
MENT IN FACE OF "JAPAN INCORPORATED".

BRUNS

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